



FAIR POLITICAL PRACTICES COMMISSION

428 J Street • Suite 620 • Sacramento, CA 95814-2329

(916) 322-5660 • Fax (916) 322-0886

March 1, 2012

Mr. Ash Pirayou
Rutan & Tucker
o/b/o Harry Sidhu

REDACTED

RE: Warning Letter ✓
FPPC Case No. 11/1041; Harry Sidhu

Dear Mr. Pirayou:

The Fair Political Practices Commission ("FPPC") enforces the provisions of the Political Reform Act ("Act"),¹ found in Government Code section 81000, et seq. This letter is in response to a sworn complaint filed against your client that alleged he violated the personal finance effects provision of the Act. We are closing this matter with a warning letter.

The FPPC has completed its investigation of the facts in this case. Specifically, the FPPC found that your client violated section 87100 when he voted to appoint himself to outside boards and/or commissions in which it was reasonably foreseeable that the decision would affect his personal finances.

For purposes of disqualification under sections 87100 and 87103, an official has an economic interest in his or her personal finances and those of his or her immediate family. A governmental decision will have an effect on this economic interest if the decision will result in the personal expenses, income, assets, or liabilities of the official or his or her immediate family increasing or decreasing. (Regulation 18703.5.) Furthermore, regulation 18705.5 states a reasonably foreseeable effect on an official's or his or her immediate family's personal finances are material if it is at least \$250 in any 12-month period. "The financial effects of a decision which affects only the salary, per diem, or reimbursement for expenses the public official or any member of his or her immediate family receives from a federal, state, or local government agency shall not be deemed material *unless* the decision it to appoint, or hire the official....". (Regulation 18705.5(b).)

¹ The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

Your client's participation in the vote to approve his appointment to various boards and/or committees violated the Act's personal financial effects provisions, because it was reasonably foreseeable the decision would affect his personal finances by \$250 in a 12-month period. However, based on the fact that you stated the City's policy had been reviewed by legal counsel and allowed your client to participate in the decision, you were cooperative in the FPPC's investigation, and you made every attempt to reduce the public harm as a result of the violation as soon as it was known your client may have violated the Act, we are closing this matter with a warning letter.

This letter serves as a written warning. The information in this matter will be retained and may be considered should an enforcement action become necessary based on newly discovered information or future conduct. Failure to comply with the provisions of the Act in the future will result in monetary penalties of up to \$5,000 for each violation.

A warning letter is an FPPC case resolution without administrative prosecution or fine. However, the warning letter resolution does not provide your client with the opportunity for a probable cause hearing or hearing before an Administrative Law Judge or the Fair Political Practices Commission. If your client wishes to avail himself of these proceedings by requesting that his case proceed with prosecution rather than a warning, please notify us within ten (10) days from the date of this letter. Upon this notification, the FPPC will rescind this warning letter and proceed with administrative prosecution of this case. If we do not receive such notification, this warning letter will be posted on the FPPC's website ten (10) days from the date of this letter.

Please feel free to contact Teri Rindahl at 916.327.2018 with any questions you may have regarding this letter.

Sincerely,

REDACTED

Gary S. Winuk
Chief, Enforcement Division

GSW/tr

Cc: ✓ Mathew Delaney
Harry Sidhu